

From: Paul Olofson
To: Microsoft ATR
Date: 1/27/02 10:24pm
Subject: Microsoft Settlement

Attn: Department of Justice

In response to the DOJ's unwarranted assault on Microsoft, I would like to contribute the following points.

Item 1)
Price of Operating System

US Government -

The US Government claims that Microsoft should only charge \$45 for their operating system. Their current price gouges the consumer.

Reality-

Out of the several of operating systems on the market, Windows is priced competitively. Microsoft had 2,600 people working on Windows 2000. They spend 6 billion a year on R&D. They should be allowed to charge a price that consumers think the product is worth and to run their own business. There is a free operating system named Linux on the market. You can pick up a popular version of this free software at CompUSA for about \$80. The judge in the Microsoft case seems to think that Microsoft should charge less than the free operating system. Additionally, lowering the price would improve market position, an idea the US Government opposes.

Item 2)

Microsoft gave away Internet Explorer to try to put Netscape out of business and dominate the internet browser market.

US Government -

US Government claimed that Netscape was severely damaged by MS because Netscape also had to give away its browser to compete, thus depriving NetScape revenues and a chance to compete in the marketplace.

Reality-

This point is contrary to the first item of MS overcharging consumers. What better deal for consumers than free? During the trial, the value of Netscape went from 5 billion to 10 billion when it was finally acquired. How can a company be put out of business if it was valued at 10 billion dollars? Using US Government logic, the real culprit would be America Online. AOL, the dominant internet service provider, has swallowed up two companies that used to charge for their browsers (first CompuServe then NetScape). Lastly, note that AOL has refused to endorse browser standards. Without these standards companies are forced to spend time and effort on cross-browser development. Since the Netscape browser has refused to adopt these standards, the market share of the Netscape has continued to decline.

Item 3)

Microsoft is a Monopoly

DOJ-

Microsoft is a Monopoly due to their percent market share in intel based computers.

Reality-

I can remember when DOS 5 and Windows 95 came out. At CompUSA, consumers put their names on waiting lists to buy the new operating systems. Do people do this for OS2, Linux or Apple operating systems? Consumers like Windows at the price offered or they would buy other products. How much market share should MS give up before they are not considered a monopoly? Who would decide what consumers would have to switch to other operating systems?

MS has 10% of worldwide software market while Cisco has an estimate 75% of worldwide router market and currently is the highest valued company in the world. I guess Cisco is next!

Item 4)

Microsoft stifles innovation

US Government -

US Government claims that MS dominance stifles innovation. I don't think US Government offered any evidence here.

Reality-

When I started working as a government contractor in 1989, everyone I know used Lotus and WordPerfect. Over the next couple of years, MS introduced Office for Windows which included a host of features other companies didn't have. Drag and drop, autofill, autocorrect, outlining and a standard programming language across applications (VBA) to name a few. When my colleagues, in the office of diehard Lotus and WordPerfect users, started using the new releases of Microsoft Software, they as well as myself were happy to have the new capabilities and switched to Microsoft products.

Microsoft consistently has top rated products at competitive prices. Please review the following web sites as evidence of this.

www.tpc.org

<http://www.microsoft.com/sql/evaluation/news/default.asp>

TPC.org shows that Microsoft is the leader in ecommerce software (database and operating systems) in terms of overall speed and in price/performance. The Microsoft site references the award Microsoft SQL Server has recently won. Most notable is the industry survey of 5,000 businesses as the best business database software.

The list goes on for many Microsoft products.

Item 5)

Bill Gates has too much money.

Reality-

I heard that one on CSPAN. ?No one person should have that much money.?

Bill Gates owns about 16% of a company he helped start over 25 years ago.

That?s a crime? Microsoft pays a lot in taxes and employs thousands of people who also pay a lot of taxes and develops great products.

Item 7)

The other bigger question

US Government thinks the US Government should control private companies.

Reality-

I am sure everybody would disagree with this fact idea, but the actions of the government prove otherwise. The private sector is the better innovator.

Why would anyone want the government deciding what a private company could put in software?

Microsoft invests billions of dollars in R&D every year to find out what people want and how things work best. They use this data to implement these ideas in software consumers want to buy.

Thank you.

Sincerely,

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